

Comments Received - August 8 – October 26, 2006

August 8, 2006

It seems to me that once the laws are decided on, this time they should be put into plain English. Up until now the law is vague on many things. After the laws are written they should be put into simple English with a list of things mortgage broker must do, and is forbidden to do in connection with a loan. Maybe a sample loan and explanations to go with it might help brokers keep in compliance.

August 16, 2006

In regard to Designated Broker qualification to exempt from the L. O. exam I understand to be exempt a DB must either be serving actively as a DB on 1/1/07 or have been active 2 out of the last 5 years.

Assuming that is correct, my question relates to someone that takes the test this year intending to be a DB but who for unforeseen reasons will not be able to assume the role until some time after January 1, 2007. Will there be a grace period to become active?

If not, or the person misses the deadline, will they have to take the D.B. exam again or just the L.O. exam?

August 18, 2006

I'm a loan officer in Seattle Washington and I have been doing loans for over 3 years and I love my job. My question is about the criminal background check DFI is doing when they do the testing in order to get the new license to conduct business in Washington after January 1, 2007. I have a Misdemeanor on my record that is from 2002. I had to pay restitution to the King County courts until Aug of 2004 as part of my sentence. It was not a felony, and I have never had a felony. I love my job, and I want to know if they will refuse to grant me a license to originate loans in WA because of this stupid thing I did back in 2002???

August 23, 2006

Re the discussion on individuals that have previously taken and passed a DB test. My thought would be to exempt, for LO test only, people who have passed the DB test prior to the last 12 months. You know that some schools are pushing for individuals to take the DB test now to avoid the LO test. It could make the schools some extra money now, etc. I took and passed the DB test probably over 5 years ago, but I am not, nor ever been, a DB. Of course I am in favor of CE and a background check on everyone.

August 27, 2006

Under the new law, loan originators will be required to pass a test and hold a license in order to continue conducting business in Washington after January 1, 2007.

Can you tell me where I can find more information about this test and how I can take it. I only see the test for Mortgage Brokers on the DOL website.

August 27, 2006

I was curious to know when materials and exam dates will be available for my loan officers.

We are nearing the end of the year and nothing on the site indicates that anything has been finalized.

Can you tell me when we can expect everything to be completed so I can inform my staff right away?

Also - since we have to renew our broker's license every year - do I need to take the exam over again? Or just send in a renewal form?

August 28, 2006

How would I be able and certified to conduct courses/training/education for mortgage brokers to obtain licensing. I understand that by January 2007 all mortgage brokers are required to have a license to broker mortgage transactions.

How would my company be able to be state certified to administer testing/training/education for mortgage brokers to obtain licensing?

September 1, 2006

Regarding Mortgage Brokers who have been the Designated Active broker for 25 years.

Will there be a test if you have not taken the "Mortgage Broker" test but have taken the continuing education test requirement yearly to maintain licensing requirements ?

If the broker has been in practice for 25 years, When he first became a broker there was not a test requirement or even one in existence what is the requirement for that broker?

Is he "grandfathered" or will there be a test other than the Continuing Education requirement?

September 8, 2006

I'm a loan originator and would like to know if the test that we will be required to take is available yet. If so how do we arrange to take the test?

September 11, 2006

I am not clear on whether a person with a Broker license is required to have a Loan originators license as well?

September 11, 2006

Please include in the new rules for Mortgage Loan Officers/Originators. A clause addressing anyone that has taken and passed the MORTGAGE BROKERS TEST AND PASSED WITHIN THE LAST 5 YEARS. By taking and passing this test it would meet the requirements of the proposed Loan Officer/Originator test. The originators that have taken and passed the brokers test would be required to keep up the clock hours/education required by the BROKERS LICENSING.

Thank you for your consideration in this matter.

September 11, 2006

Has there been a formal decision on how to get licensed? I cannot find it anywhere. Thank you.

September 11, 2006

Where do loan officers need to go within the DFI website to get specific details on the licensing procedures that will need to be followed to get our clock hours and apply for the license that is going to be required January 1, 2007?

The website is not very clear. Please advise.

Continuation of comment:

Thank you. I work with a number of loan officers that are very nervous about the short time we have to get licensed and still be able to do business starting in January. It would be very helpful if we were to get the details as soon as possible so we will not have to stop doing business until we are legal.

September 12, 2006

I write to express my concern for one of the proposed rules (mortgage brokers must annually report the number and dollar volume of loans made in Washington). Considering the workload of a mortgage broker, it seems unfair for us to carry an additional responsibility.

I hope you will consider my concern.

September 12, 2006

The DFI page gives information about the proposed rules, but it does not give details about the license requirement or testing. Is there a document that details what license is required, what test is required, where to take it, etc.?

Our broker has informed us that we must be licensed by Jan 1, 2007. We are happy to comply, but have not seen specific information about licensing, and 2006 is drawing to a close.

September 13, 2006

Would you be able to give me a dumbed down explanation of what the education and testing requirements for Loan Officers and Mortgage Brokers are as of now and what they will be as of January 2007?

September 13, 2006

I am so happy to see individual Mortgage Brokers Licensing finally come to being. This is something we have needed for many years and I support it 100%. This will help regulate our profession by controlling some of the "bad apples" in the industry that give a bad name to the quality Mortgage Brokers.

The small amount of work this will require is nothing for most of us compared to the benefits to the consumer and the industry. Also, required continuing education will help advance our industry and provide the consumer with a higher degree of professionalism and knowledge, on what is one of the most important financial decisions many people make. Lawyers, doctors, C.P.A.s, Realtors, and stockbrokers are required to take continuing education. I'm glad we will also be required to also advance our education and knowledge.

My only request....I hope licensing is required by January 1, 2007, as proposed, and not delayed. We've all known this was coming for a year.

September 13, 2006

Please link me to your loan officer application so that we may license some of our LO's in WA.

September 13, 2006

Thank you for mailing the Mortgage Broker Practices Act proposed rules and Small Business Economic Impact Statement.

Licensing Loan Originators and requiring continuing education is important to the integrity of the lending industry.

September 13, 2006

I set my former company (Lending Resource Corp) up as an licensed Washington mortgage broker and I served as Designated Broker for the company. I left LRC to begin working for Mortgage Trust, Inc. on April 1, 2006. I have already completed and filed my WA continuing education hours for 2006.

Mortgage Trust, Inc. already has a WA license and Designated Broker in place so I am now a loan officer in regards to WA loans.

Since I passed all requirements to be a designated broker, am still qualified as a designated broker and am current on my continuing education requirements, I am assuming that I will be grandfathered in to the new Mortgage Broker Practices Act as a loan officer. How would I confirm that prior to Jan. 2007?

September 14, 2006

Will the new rules apply to loan officers working for mortgage lenders? Will they need to be licensed? When will this go into effect? Thanks for your help.

September 18, 2006

I understand it has not been decided if a person who has taking the broker test, passed and has kept current with continuing education classes has to take the loan officer license test. I feel the Broker test requires more knowledge of the business and is a more comprehensive test than the loan officer test will ever be. Therefore, any Broker who has passed and kept the education hours current whether or not if they have ever been a designated Broker should not have to take the Loan Officers test.

September 21, 2006

It is very important that the Broker be responsible for the Loan Officer's activity directly. I agree with Loan Officer licensing and responsibility but they will do what the Broker tells them to until caught.

Also, it is very important that your office asks and gets enough money to staff 100 enforcement officers. You are not able to do your jobs effectively because you are undermanned....you know this and I know this. You need more people!

September 21, 2006

I understand that new rules and testing for Loan officers will take place soon, I need to know where on your site to find the information needed to direct my loan officers regarding what they will need to know for testing. Please forward me the link to what is required and what they will need to study to prepare.

September 15, 2006

I have been a co-owner of a Mortgage Company since 2002. My business partner and I both took the brokers test. We wanted to be co-brokers. DFI would only allow one of us to be the designated broker (We did not understand why... as we thought they would rather have more than less be responsible). Our License is Issued to Barrett & Kashmar LLC (I am 1/2 owner of the LLC) and the designated broker is Karen Kashmar (my partner). The Mortgage Broker Bond is issued in the name of Barrett & Kashmar. As an owner it has been required that I be bonded

as well as be financially responsible as well as ethical. In addition to being co-owner I am also an active originator (we are a small company and there are just three of us). I feel that I have been just as much a broker as my partner since we started and should be exempt from the test taking at this time. Is there away to include this situation in the new rule?

September 25, 2006

If fingerprints have been provided in the past to DFI in connection with security (mutual funds) licensing, will I be required to incur an additional expense to submit the fingerprints again?

September 26, 2006

With regard to the proposed changes to WAC 208-660-300 (8), we have need for some clarification.

- 1) How would this proposed rule apply in the case that an independent contractor loan originator uses the services of a contract loan processor, but the contract loan processor is paid directly by the borrower through closing?
- 2) In the case that an independent contractor loan originator is also a licensed real estate agent, uses the services of a "facilitator" who assists in activities relating to the mortgage broker's business, but compensates the facilitator through their own company which receives revenue from both loan origination commissions and real estate commissions, how does this proposed rule apply?
- 3) Under this proposed rule, is a loan originator still able to hire out for services related to advertising, marketing, or promotions?

Getting feedback from the DFI on these issues would be very helpful to us in maintaining future compliance.

September 26, 2006

With regard to the proposed rules under WAC section 208-660-300(8), the rule declaring that loan originators may not hire employees or independent contractors seems to make it unlawful for a loan originator to hire a person to perform purely creative services related to marketing/advertising. For instance, a loan originator, as a part of their independent marketing strategy, may employ a marketing assistant whose function may be graphic design, copywriting, web design, or other such marketing tasks as will benefit the individual loan originator in the implementation of their business plan. As the development of an independent business strategy is one of the factors for independent contractor loan originators to justify their status, it would seem that some more detail in this section may be necessary. It would be possible to construct a set of agreements whereby the marketing consultant is contracted to the mortgage broker and then the mortgage broker bills the loan originator for the marketing consultant's compensation, but it would seem easier to create room in the rules to allow LOs to hire out for some specific types of services.

September 27, 2006

I am reviewing the DFI's website to get the latest information regarding individual loan officer licensing. Unfortunately though, the information that many of my loan officers are seeking isn't posted to the website yet- or at least I am unable to locate it. The 2 main pieces of information that I was hoping to obtain are:

- 1) Has the pool of 1,000 test questions been established, and if so, where can I get a copy of the questions and answers?
- 2) It seems apparent that every LO won't be tested and licensed by 1/1/07, so what will the plan be for those that haven't tested by that time? Will there be some sort of an extension form, or will the law simply be amended to allow for everyone to have more time to get licensed? If there is such a form, can you tell me when and where it will probably be available?

September 29, 2006

Quick question: Which date does the applicant's felony record goes into consideration as the requirement of 7 year lapse period? From the date of indictment?

October 2, 2006

I have received the proposed rule making notice for regulating mortgage brokers and loan originators looking to take effect January 1, 2007. I am looking for some clarification of the status of these changes and what process our loan officers need to take to continue originations in Washington. We have a registered designated broker, Michelle Arthur who has tested and been operating in this capacity for about 2.5 years. We have potentially about 8 loan officers that could do mortgage transactions in Washington, and we need to know what needs to be provided, if anything, to keep them active and within regulation.

Beginning of official comment period – October 4, 2006

October 4, 2006

I am a loan officer doing business in the Vancouver, Wa area. Can you please tell me where I can study for my Washington State Loan Officer License? Any information you can provide me with will be greatly appreciated.

October 5, 2006

I am a licensed mortgage broker in Ca. and I would like to be licensed in WA as I have a few clients that have properties there but every time I ask for help from someone in the office at 360-902-8703 they direct me to an application that requires me to go to WA and take a brokers test and etc.

I am not sure what it takes to be licensed there so I am emailing you for help. This procedure must be more simple since I am already a licensed Broker.

October 6, 2006

We are currently licensed under the CLA and we are FNMA approved. We do get audited by the FNMA. With the new changes to the MBPA, do we need to license our Loan Originators if they broker loans in WA with rates under 12%?

October 9, 2006

Hello, I am processor for a Mortgage Broker here in WA and I have received numerous inquiries lately from loan officers outside of the company I work for that would like me to process for them. My question is if I start a processing center that I would manage and most likely hire assistants in the future does DFI have any current or pending regulations or licensing requirements that I need to make sure and comply with. I will be getting my business license in the next week or so and I wanted to make sure that I am compliant in all aspects before I launch my company.

October 11, 2006

We're wondering when we can start getting our testing or licenses for loan origination. My understanding at this point is we just get our licenses this year and the test will be available before we need to renew annually. It also looks like there is one more meeting on the 26th of this month, and maybe then we'll have details?

Could you please let me know - we don't want to end up not being able to originate as of January.

October 13, 2006

I am a loan originator and I need to find out how to get my annual license and the continuing education. Is there a link you can send me?

October 19, 2006

I am writing to get more information about loan originator licensing. Our company currently holds a Consumer Loan License with your department. Will this new LO licensing law be required from any of our employees or just employees of licensed mortgage brokers?

October 20, 2006

Are preliminary license numbers going to be issued to Loan Originators before January 1, 2007? If so, will that preliminary number be the ACTUAL license number for that Loan Originator

AFTER the test has been taken or will a new number be issued? It is my understanding that on all new business cards in 2007, LO's will need to include their license number as well as their broker's license number. Practical Example: If a loan originator would like to order business cards in November of 2007, and preliminary license numbers HAVE been issued already, does the loan originator need to order business cards with his preliminary license number? And if so, will the loan originator need to order new business cards with a new number once the test has been made available and passed (due to a new license number being issued)?

October 20, 2006

Please mail to me the application for a loan originator's license as I did not find that information available on line to print out.

October 23, 2006

I am unsure who this applies to, but I was told that Washington starting Jan. 1, 2007 will require each Loan Originator to be licensed individually. I am trying to find out further information regarding this.
